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TAGS: [ETRD](#) [WTRO](#) [AR](#)  
SUBJECT: Argentina Shows No Flexibility on Latest Doha NAMA Text

Refs: (A) Buenos Aires 962  
(B) Buenos Aires 589  
(C) 07 Buenos Aires 1899

¶1. (SBU) Public comments by Foreign Minister Jorge Taiana, as well as press reports, indicate a growing divide between MERCOSUR members Argentina and Brazil over their respective WTO Doha Development Round (DDR) negotiating positions, despite a July 14 meeting in Rio de Janeiro of MERCOSUR Foreign Ministers reportedly intended to achieve a common position on the latest DDR agriculture and non-agricultural market access (NAMA) draft texts. A GoA Foreign Ministry press release issued after the meeting quotes Taiana saying "We're not satisfied" with the latest July 10 NAMA draft, adding "We have to work much harder to reach a balanced (NAMA) position." The release also cites the need to recognize "the important contribution that developing countries - like ours - are having on the (Doha) Round." A July 13 editorial in leading Argentine daily La Nacion contrasts Argentina's DDR stance to Brazil's gradual progress from the "closed and solitary" position of Argentina to a more open position.

¶2. (SBU) A key difference between Argentina and Brazil DDR positions is over how to allow individual developing country customs union members additional flexibility to shield sensitive industries from import tariff cuts. Brazil and the U.S. were two of twelve WTO members who reach an accord in June on DDR customs union treatment; the GoA calls the agreement unacceptable as it offers Argentina less favorable treatment than do to other developing countries not in customs unions. Argentine Foreign Ministry National Director of Economic Negotiations Nestor Stancanelli said at the time that Argentina needs to be able to shield 16.5% of its NAMA tariff lines from cuts, with no restriction on volume of trade, as opposed to the draft proposal which would allow them to shield 14% of tariff lines and up to 19% of trade by volume.

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COMMENT  
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¶3. (SBU) The Foreign Ministry's uncompromising press release echoes recent private comments by Taiana to the Ambassador (Ref A) and Argentina's DDR position remains essentially unchanged from its position on earlier draft texts (Refs B, C). As Argentina's economy shows increasing evidence of slowing following six years of 8-plus percent GDP growth, the GoA is coming under increasing domestic pressure to protect its inefficient (certainly relative to Brazil) industrial base. The GoA has repeatedly called draft NAMA texts "unacceptable" and has offered little more forward-leaning than vague promises of "room to maneuver" on agricultural and services agreements. End Comment.

WAYNE